

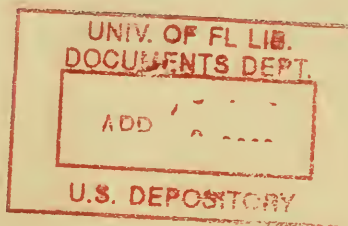
NATIONAL RECOVERY ADMINISTRATION

AMENDMENT TO
CODE OF FAIR COMPETITION

FOR THE

LEATHER INDUSTRY

AS APPROVED ON OCTOBER 3, 1934



UNITED STATES
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Approved Code No. 21—Amendment No. 2

AMENDMENT TO CODE OF FAIR COMPETITION

FOR THE

LEATHER INDUSTRY

As Approved on October 3, 1934

ORDER

MODIFICATION OF CODE OF FAIR COMPETITION FOR THE LEATHER INDUSTRY

An application having been duly made pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for approval of a modification of a Code of Fair Competition for the Leather Industry, and hearings having been duly held thereon and opportunity to be heard having been given and the annexed report on said modification, containing findings with respect thereto, having been made and directed to the President:

NOW, THEREFORE, on behalf of the President of the United States, The National Industrial Recovery Board, pursuant to authority vested in it by Executive Orders of the President, including Executive Order No. 6543-A, dated December 30, 1933, and otherwise; does hereby incorporate, by reference, said annexed report and does find that said modification and the Code as constituted after being modified comply in all respects with the pertinent provisions and will promote the policy and purposes of said Title of said Act, and does hereby order that said modification be and it is hereby approved, and that the previous approval of said Code is hereby modified to include an approval of said Code in its entirety as modified. This order shall become effective on October 16, 1934, unless prior to that time good cause to the contrary be shown to the National Industrial Recovery Board and it shall issue a subsequent order to that effect.

NATIONAL INDUSTRIAL RECOVERY BOARD,
By G. A. LYNCH, *Administrative Officer*.

Approval recommended:

PRENTISS L. COONLEY,
Acting Division Administrator.

WASHINGTON, D. C.,
October 3, 1934.

REPORT TO THE PRESIDENT

The PRESIDENT,
The White House.

SIR: This is a report on the Amendments to the Code of Fair Competition for the Leather Industry, and on the hearing conducted thereon in Washington, D. C., March 30, 1934, and on the Opportunity to be Heard published July 12, 1934, in accordance with the provisions of Title I of the National Industrial Recovery Act.

GENERAL STATEMENT

The Leather Industry, through the General Planning Committee, its Code Authority, has availed itself of provisions in Article XV of the Code of Fair Competition for the Leather Industry approved by you on the seventh day of September, 1933, which recites in part: "It is contemplated that from time to time supplementary provisions to this Code or additional codes will be submitted for the approval of the President to prevent unfair competition in prices and other unfair and destructive competitive practices and to effectuate the other purposes and policies of Title I of the National Industrial Recovery Act consistent with the provisions hereof."

RÉSUMÉ OF MODIFICATIONS

I. The revision of Article II is the addition of specific definitions covering the various sub-divisions of the Industry, as provided for in Article X.

II. The revision of Article XIV—Trade Terms—is a liberalization of the trade terms. It was predicated upon the recognition of a situation which involved the smaller producers in the Industry and the smaller consumers of leather. These modifications were presented after several conferences between the Code Authority of this Industry and that of the Boot and Shoe Manufacturing Industry, which Industry purchases approximately eighty-five (85) per cent of the output of the Leather Industry. The Amendment herein proposed was drafted and mutually agreed upon by the above mentioned Code Authorities in accordance with the expressed policy of the Administration of the NRA.

III. The addition of a new article, to be known as Article XVI, brings into effect certain trade practices which were deemed necessary and found lacking in the Code as it stands.

IV. The addition of this paragraph of Article IV, Section 3, affords protection from wage reductions for those employees receiving above thirty (30) dollars per week and less than forty-five (45) dollars, which class has been without protection to this time.

The Deputy Administrator, in his final report on said Amendments to said Code, having found as herein set forth and on the basis of all the proceedings in this matter:

We find that:

(a) The Amendments to the said Code and the Code as amended are well designed to promote the policies and purposes of Title I of the National Industrial Recovery Act, including the removal of obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof, and will provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups, by inducing and maintaining united action of labor and management under adequate governmental sanction and supervision, by eliminating unfair competitive practices, by promoting the fullest possible utilization of the present productive capacity of the industries, by avoiding undue restrictions of production (except as may be temporarily required), by increasing the consumption of industrial and agricultural products through increasing purchasing power, by reducing and relieving unemployment, by improving standards of labor, and by otherwise rehabilitating industry.

(b) The Code as amended complies in all respects with the pertinent provisions of said Title of said Act, including without limitation Sub-section (a) of Section 3, Sub-section (a) of Section 7 and Sub-section (b) of Section 10 thereof.

(c) The Code empowers the Tanners Council to present the aforesaid modifications on behalf of the industry as a whole.

(d) The Amendments and the Code as amended are not designed to and will not permit monopolies or monopolistic practices.

(e) The Amendments and the Code as amended are not designed to and will not eliminate or oppress small enterprises and will not operate to discriminate against them.

(f) Those engaged in other steps of the economic process have not been deprived of the right to be heard prior to approval of said Amendments.

Respectfully,

NATIONAL INDUSTRIAL RECOVERY BOARD,
By G. A. LYNCH, *Administrative Officer*.

OCTOBER 3, 1934.

AMENDMENT TO CODE OF FAIR COMPETITION FOR THE LEATHER INDUSTRY

I. To modify Article II of the Code of Fair Competition for the Leather Industry by adding the following to the first paragraph of said article:

"The 'leather industry' is hereby classified into the following divisions:

"*Bag Case and Strap*.—Tanners of leather made from cattle hides of various types for the manufacture of traveling bags, luggage and strap leather for various purposes.

"*Calf and Kip*.—Tanners of leather made from calfskin and cattle hides largely for the manufacture of shoes.

"*Fancy*.—Tanners of leather made from various types of hides and skins of animals, including reptilian leathers, suitable for fancy articles such as pocketbooks, suit-cases, handbags, etc.

"*Goat and Cabretta*.—Tanners of leather from goatskins and cabretta skins, mainly suitable for shoe purposes.

"*Harness and Collar*.—Tanners of leather from cattle hides suitable for horse equipment.

"*Sheep and Glove*.—Tanners of sheep skins suitable largely for garments, gloves and shoe linings; also hat and capsweat leathers as produced by the National Hat and Capsweat Leather Association.

"*Sole and Belting*.—Tanners of leather made from cattle hides for the manufacture of shoes and industrial belting.

"*Upper, East, West*.—Tanners of leather, including japanners (finishers), largely made from cattle hides and kips (small cattle hides) suitable for the manufacture of shoes.

"*Upholstery*.—Tanners of cattlehide leather suitable for use in the manufacture of furniture, automobiles, etc.

"*Leather Belting Division*.—Manufacturers of industrial belting, lace leather and leather laces, miscellaneous straps, packings (hydraulic and otherwise) and mechanical leathers (wholly or principally of leather) for use on industrial machinery, excluding such leathers that a machinery manufacturer may produce for use on equipment of his own manufacture.

"*Cut Soles*.—Tanners and/or cutters and producers of leather soles used in the manufacture of shoes.

"*Welting*.—Tanners and manufacturers of welting leather and/or leather welting used in the manufacture of shoes.

"*Grain Insoles, Counters, Fox Tocs and Heels*.—Tanners and/or manufacturers of leather used in these products and/or manufacturers of these products themselves used in the manufacture of shoes.

"The term 'member of the industry' as used herein includes but without limitation any individual, partnership, association, corporation or other form of enterprise engaged in the industry either as an employer or on his or its own behalf."

II. To substitute the following for Article XIV of the Code of Fair Competition for the Leather Industry:

"A. All invoices covering domestic sales in the leather industry including sales of labor or contract work, shall, except as noted below under paragraph C, be due and payable in thirty (30) days; thereafter shall be payable net, with interest at the legal rate, not to exceed six per cent (6%) per annum.

"B. Discount shall be for payment in cash only and shall not exceed two per cent (2%). No seller may anticipate discount by invoicing at an equivalent net price any class of leather which he customarily sells subject to discount. No datings shall be given.

"C. The following exceptions may be made at seller's option:

"1. Buyer may be granted privilege of payment on or before the 10th of the following month for all invoices dated from the 1st to the 15th inclusive, and on or before the 25th of the following month for all invoices dated from the 16th to the last day of the month. This privilege may be granted only on a permanent basis; it shall not be extended from time to time as may be to advantage of buyer.

"2. Seller may permit anticipation at not to exceed six per cent (6%) per annum on bills paid prior to due or discount date. Where privilege of payment on or before the 10th or the 25th is granted, for purposes of anticipation all invoices of the 1st to the 15th, inclusive, shall be considered as dated the 10th of the month of charge, and all invoices from the 16th to the last day of the month shall be considered as dated the 25th of the month of charge.

"3. Seller may grant three calendar days of grace during which discount may be allowed, and during which no interest shall be charged, provided payment is made within this three calendar day period.

"4. Where terms of 2% 30 days or 2% 10th or 25th proximo are granted, seller may permit payment in sixty (60) days from invoice date with discount not to exceed one per cent (1%). After sixty (60) days from date of invoice such bills shall be due and payable net and interest shall be added as provided under Paragraph A.

"D. Forward Orders shall be booked only under the terms of a Uniform Sales Contract, the conditions of which shall have been approved by the Administrator.

"E. None of the provisions of Article XIV shall apply to the Leather Belting Division except on leather sold in competition with other divisions of the Leather Industry."

III. A new article to the Code of Fair Competition for the Leather Industry, to be known as Article XVI and entitled "Trade Practices", shall contain the following provisions:

"A. Any alteration, adjustment or cancellation of a sales contract or conditions of sale may be reported, with the facts pertinent thereto, to the Divisional Planning Committee, or, if the Division so elects, to the Trade Practice Committee.

"B. A signed uniform sales contract as provided in Article XIV, paragraph D, of the code, or the immediate dispatch by seller to buyer of confirmation of sale conforming to the conditions of that contract, shall be required on all orders, except orders filled by an immediate single shipment, on which the invoice itself shall be suffi-



cient confirmation. The terms and conditions of sale shall appear on all such invoices.

"C. No order shall be accepted unless it accurately designates quantities, grades, weights and prices with the final and ultimate date of delivery.

"D. No goods except bona fide samples as determined by each Divisional Planning Committee shall be sent on memorandum or consigned to other than a bona fide selling agent or subsidiary organization of the seller.

"E. All invoices shall be dated as of date of shipment or of floor delivery, and shall describe accurately the merchandise shipped.

"F. None of the provisions of this Article shall apply to the Leather Belting Division, except on leather sold in competition with other divisions of the Leather Industry."

IV. Article IV, Section 3, to be amended by the addition of the following paragraph:

"A. On and after October 1, 1934, no employee (other than those listed in paragraphs (a) and (c) of Section 2, Article VI) receiving on April 1, 1933, for the standard work week, between \$30. and \$45. per week shall receive less per piece or hour than he received on April 1, 1933."

Approved Code No. 21—Amendment No. 2.
Registry No. 930—1—01.

